Incrementum Chartbook #5

50 Slides for the Gold Bulls

Charts and Conclusions of This Year’s Gold Report*
+ Update on Recent Developments

Ronald-Peter Stöferle & Mark J. Valek
September 29, 2016

*The entire report can be downloaded here
Our Conviction

Due to structural over-indebtedness and the resulting addiction to low/negative real interest rates, we believe that the traditional approach to financial markets and asset management is no longer beneficial for investors.

Therefore, at Incrementum we evaluate all our investments not only from the perspective of the global economy but also in the context of the current state of the global monetary regime. This analysis produces what we consider a truly holistic view of the state of financial markets.

Financial markets have become highly dependent on central bank policies. Grasping the consequences of the interplay between monetary inflation and deflation is crucial for prudent investors.

We believe that the Austrian School of Economics provides us with an appropriate intellectual foundation for our investment assessment and decisions, especially in this demanding financial and economic environment.

Ronald-Peter Stöferle, Mark J. Valek
Partners of the *In GOLD we TRUST* 2016 Report

- philoro EDELMETALLE
- AUSTRIAN MINT
- GLOBAL GOLD
  *The Swiss Solution for Precious Metals*
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- ENDEAVOUR SILVER
- OGUSSA
- TOCQUEVILLE
In 2008 (when gold traded at USD 800) we first called for a long-term price target of USD 2,300.

The gold price reached a (nominal) all-time high of USD 1,920 in September 2011.

Contrary to our expectations, then a correction started which evolved into a full-blown bear market in 2013.

While most other gold analysts became bearish on gold, we continued to stand by our thesis that gold is still in a secular bull market.

In June 2015 we set our price target of USD 2,300 for June 2018.
Extensive Indebtedness Has Made the System Crave for Growth (and/or Price Inflation)

Structural over-indebtedness all around the globe: Debt levels have increased by about 40% since the financial crisis, a trend that has spilled into emerging markets as well (especially China)

True reform and spending cuts appear illusory and massive tax increases as counterproductive – to service this debt more growth (and/or price inflation) has to be generated at any cost

Sources: BIS, Incrementum AG
To Stimulate Growth Central Banks Have Gone All-In

- With monetary experiments, central banks have been engaging into an all-or-nothing gamble, hoping it will eventually bring about the long promised self-supporting and sustainable recovery.
- The central banks' leverage ratios and the sizes of the balance sheets relative to GDP have enormously risen in the aftermath of the 2008 financial crisis.
- The Bank of Japan (BoJ) has taken this insanity several steps further than their peers have managed; the ECB has been comparably conservative, but is currently doing its best to catch up.

Sources: ECB, BoJ, BoE, SNB, Federal Reserve St. Louis, Incrementum AG
However, Can Central Banks Heal the Economy? 
3 Worldviews in the Post-Lehman Economy

1. Believers in the system
- The Keynesian economic policy in the post-Lehman world is in principle correct and necessary
- The economy is in a recovery process, financial markets are gradually sounding the “all clear”
- New regulations have lowered systematic risk
- Low/zero gold allocation in the portfolios
- The current mainstream economic worldview

2. The Sceptics
- Doubts about the sustainability of the extreme economic policy measures that have been taken since 2008
- Pragmatic gold holdings: much accumulation after the crisis, reduction of the position in recent years
- Skeptics could play an important role as marginal buyers in driving the future gold trend
- Gradually growing group

3. The Critics
- Conviction that the monetary architecture is systematically flawed
- Theoretical foundation is provided i.e. by the Austrian School
- The current economic recovery is neither sustainable nor self-supporting
- Portfolios include system hedge and inflation hedge modules, e.g. gold
How to Judge the Current Economic Situation?

The believers in the system say:

► No large setbacks in economic growth yet in the US since the 2008 financial crisis
► Recovery has been shallow, hence it can last much longer than normal

The critics say:

► The current upswing is borne by a giant cushion of air in the form of zero interest rates, QE etc.
► These measures have caused asset prices to rally, which has benefited mainly the wealthy
► The population at large appears to be dissatisfied – populist parties are in vogue

→ Of the last 11 economic expansions in the US, only 3 have lasted longer
→ A recession is within the range of possibilities

Sources: Bawerk.net, Incrementum AG
What If the critics are right and we reach another crisis/recession?

During the past decades monetary policy has always reacted with expansionary measures in times of recession or crisis.

Central bankers now find themselves in a lose-lose situation:
- The long-term consequences of low/negative interest rates are disastrous (e.g. aggravation of the real estate and stock market bubbles, potential bankruptcies of pension funds and insurers)
- Normalizing interest rates would risk a credit collapse and provoke a recession

Sources: RealForecasts.com, Federal Reserve St. Louis, Incrementum AG
“If you have the power to print money, you’ll do it. Regardless of any ideologies or statements, that you should limit your counterfeit operations to three percent a year as the Friedmanites want to do. Basically you print it. You find reasons for it, you save banks, you save people, whatever, there are lot of reasons to print.”

Murray N. Rothbard
Central Economic Planning Has Proved Not to Work – Can Monetary Central Planning Be Any Different?

Low interest rates have only created the *illusion* of a healing economy – this would vanish into thin air as soon as interest rates return to a normal level

Markets have become conditioned to low interest rates – if they are withdrawn, asset prices will plunge

- Plunging asset prices already helped trigger the last two global recessions

The current asset bubble is even greater

Sources: *BofA Merrill Lynch Global Research, Incrementum AG*
5,000 Years of Data Confirm: Interest Rates Have Never Been Lower Than Today

Negative interest rates are one of the last hopes to which policymakers cling – they are a reality in meanwhile 5 currency areas (government bonds valued at more than USD 8 trillion have negative yields to maturity).

When the centrally planned bubble in bonds finally bursts, it will be abundantly clear how valuable an insurance policy in the form of gold truly is.

What if Money Supply Expansion Starts Stuttering?

This chart impressively illustrates the instability of growth induced by credit expansion.

Since 1959, “total credit market debt” (which is the broadest debt aggregate in the US) has increased by 9,100%, its annualized growth rate amounts to 8.26% – in any decade, outstanding debt has at least doubled.

With a lot of unconventional and radical measures central banks are trying to prevent any credit contraction.

There is no reverse rear in the monetary system – if money supply and credit don't continually rise, the system's situation is critical.

Sources: Federal Reserve St. Louis, Incrementum AG
Gold: The Stable Counterpart to Diluting Currencies

- Gold has to be physically mined, its global supply is exceedingly stable – holding it provides insurance against monetary interventionism and an endogenously unstable currency system.

- At a price of USD 1,200 per ounce,* the ECB would have bought 4,698 tons of gold in the first quarter of 2016 (which is more than 6 times the value of globally mined gold).

- If the European and Japanese QE programs will be continued as planned, they would be equivalent (assuming prices don’t change) to the value of 39,625 tons of gold in 2016 (~22% of the total stock of gold of 183,000 tons ever mined).

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*Moreover, exchanges of EUR/USD = 1.10 and USD/JPY = 115.1 were assumed.
The Gold Metamorphosis: From an Anchor to a Life Buoy

The end of the gold exchange standard changed gold’s characteristics as an investment asset: Gold suddenly transformed from a risk-free monetary anchor to an asset fluctuating in terms of the US dollar (and thus supposedly a risky one).

Ever since, the gold price has been floating higher over the long term on the back of a continually swelling flood of money.

However, the deafening roar of the inflationary tides can create **short-to medium-term price risks**.

Sources: Federal Reserve St. Louis, Incrementum AG
Whereas Prices Measured in Gold Remain More or Less on a Constant Level in the Long Run…

Gradual erosion of purchasing power since 1971, e.g.:
- Entrance fee for the Disney World Magic Kingdom in Florida: USD 3.50 (1971) vs. USD 110 (today)
- 1 liter (“Maß”) of beer at the Munich Oktoberfest: EUR 0.82 (1950) vs. EUR 10.25 (2015)

However, today’s prices measured in gold are close to the historical mean/median

Sources: WDW Ticket Increase Guide, HaaseEwert.de, Historisches Archiv Spaten-Löwenbräu, Federal Reserve St. Louis, Incrementum AG
Compared to Currencies, Relative Scarcity Makes Gold Rally in the Long Term

- The price of gold in terms of the US dollar has increased by the factor of 34
- In the long term the gold price rises against every paper currency

Sources: Federal Reserve St. Louis, Incrementum AG
After 2011 the Gold Price Appears to Have Corrected Too Much

- If money supply grows faster than the stock of bullion, the gold price should grow in the long run and vice versa – the bear market of the recent years was a divergence from this pattern.

- At a price of USD 1,200 per ounce, the ECB would have bought 4,698 tons of gold in the first quarter of 2016 (which is more than 6 times the value of globally mined gold).

- As hardly any reduction of central banks’ balance sheets is to be expected, the gold price should rise significantly to catch up.

Sources: PBoC, SNB, Federal Reserve St. Louis, Incrementum AG
Instead of using USD or EUR terms, the world gold price expresses the gold price in terms of the trade-weighted exchange rate for the US dollar.

A growing divergence between the world gold price and the USD gold price can be observed, primarily due to prevailing confidence in the US economy’s recovery and the associated rate hike fantasies, which boosted the US dollar.

Thinking out of the dollar box had seen the bull coming.

Sources: Federal Reserve St. Louis, Incrementum AG
From a Broader Perspective Gold Appears to Be in a Secular Bull Market

Gold’s average annual performance since 2001: 10.71%

- Gold has thus outperformed virtually every other major asset class between 2001 and 2016 – in spite of suffering a massive correction

- Since the beginning of 2016 gold is back in every currency!

Sources: Goldprice.org, Incrementum AG
* September 21, 2016

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<th>GBP</th>
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The Emotional Roller-Coaster is Turning Upward

In the early stages of a bull market the enthusiasm of investors is usually very subdued, scepticism and disinterest tend to predominate; this changes gradually as the cycle progresses, until euphoria and buying panics predominate near the end of the trend.

Comparing this idealized sentiment cycle to the gold price chart (360-day moving average), the point of maximum frustration appears to have been reached last year.

Source: Incrementum AG
Crucial Question: Is Money Supply Expansion a Suitable Means for Targeting Consumer Price Inflation?

Problem 1: Money supply expansion cannot be exactly regulated

- **Fractional-reserve banking:** Central banks issue base money, but the bulk of money supply is created by commercial banks via credit creation
- **Total money supply is not easy to determine** – different central banks apply different measures
- **Austrian Money Supply** (AMS) is an “Austrian” alternative to the money supply calculations by central banks

Problem 2: Money supply inflation is not directly proportional to CPI rates – why not?

- Changes in preferences regarding either hoarding or spending money
- **Methodological problems associated with measuring price inflation,** e.g.:
  - Composition of a basket of goods
  - Quality adjustments of products
  - **Consumer price inflation vs. asset price inflation**

Sources: Applied Austrian School Economics, Incrementum AG

*AMS is calculated by Dr. Frank Shostak from Applied Austrian School Economics*
The Inflation Story since 2009 Has Been a Story of Asset Price Inflation

- A debt-saturated household sector doesn’t express additional demand for credit – all the money injected by the central bank has hence been left sloshing around financial markets instead of reaching the “real” economy
  - The Fed’s QE programs have primarily led to asset price inflation instead of consumer price inflation

- The effect of monetary inflation on the trend in US stock prices is particularly conspicuous: The strong correlation between the Fed’s balance sheet total and the US stock market has been in force for eight years now

Sources: Federal Reserve St. Louis, Incrementum AG
A Flipside of Asset Price Inflation: Falling Asset Prices Have Already Triggered the Last Two Recessions

Money supply inflation harbors the systemic danger of a subsequent contraction in money supply

Since loose monetary policy has led to the crisis in the first place, its prospects for enduring success are low

Problems have merely been postponed: What turned out to be unprofitable hasn’t been liquidated, but has been kept on artificial life support

When monetary deflation gets going, it always triggers a chain reaction with highly adverse domino effects: downgrades, which lead to rising financial costs and ultimate defaults, as well as falling asset prices

Sources: Hedgeye, Yahoo Finance, Federal Reserve St. Louis, Incrementum AG
Hence, Asset Prices Appear Highly Dependent on Perpetual Monetary Pumping

Unconventional monetary policy has resulted in a further inflation of asset prices and has raised the level from which they inevitably will drop.

After the end of QE1 and QE2 the S&P 500 declined and only regained upward momentum once the Fed announced more easing; the end of QE3 was then implemented in a less abrupt manner via “tapering”

But it’s unlikely that the Fed can return to monetary normalcy without affecting asset prices.

Sources: Realinvestmentadvice.com, Federal Reserve St. Louis, Incrementum AG
The Stagnation in the Stock Market Rally Since Last Summer Has Already Caused Stress for a Lot of Loans

Steadily rising asset prices and low interest rates have reduced many investors’ risk awareness.

There is a palpable danger that a bear market could trigger a chain reaction that leads to a recession.

Stagnation in the stock market rally since last summer and dark clouds on the horizon of the US economy – the number of loan delinquencies and charge-offs have rapidly risen.

Similar patterns could be observed on the eve of previous recessions as well.

However, while on previous occasions rising interest rates had a significant effect on growing defaults of borrowers, the current rise takes place in the absence of a real rate hike.

Sources: Acting-man.com, Federal Reserve St. Louis, Incrementum AG
QE – Which Puts Pressure on Yields and Flattens the Yield Curve – is Fundamentally Damaging for Banks

Also negative interest rates, which have been introduced in the euro area in June 2014, have contributed to an even more pronounced flattening of the yield curve

This erodes the income of financial intermediaries further, as the universally popular “maturity transformation” can now only be performed at ever tighter spreads

Sources: ECB, Federal Reserve St. Louis, Incrementum AG
The Fed Pioneering Monetary Normalization: What If They Fail?

- If the Fed fails with the normalization of interest rates, the already crumbling narrative of economic recovery could collapse

- Meanwhile, there are signs for an economic slowdown (or even a recession) in the US – further expansionary measures are hence more likely than that the Fed sticks to the plan of further tightening

- After we saw “peak bullishness” on the US dollar and “peak bearishness” on commodities last year, the sentiments – that depend crucially on the narrative of a healing US economy – have changed

Sources: Federal Reserve St. Louis, Incrementum AG
In Light of the Fundamental Economic Situation, a Monetary Normalization Appears Unrealistic
Is Consumer Price Inflation in the Offing?

The US dollar's external value is naturally important for the trend in domestic consumer price inflation in the US: There is a time lag of approximately 5 months before dollar appreciation or depreciation affects the trend in the US price inflation rate.

Should the US dollar show more weakness, one should expect US price inflation to exhibit a tendency to rise.

Sources: Federal Reserve St. Louis, Incrementum AG
Since the Beginning of 2016 the *Incrementum Inflation Signal* Indicates a Full-fledged Inflation Trend

- Proprietary signal based on market-derived data as a response to the importance of inflation momentum
- Guide for investment allocations in our funds – depending on the signal's message we shift allocations into or out of inflation-sensitive assets (i.e. mining stocks, commodities and energy stocks)
- Shorter reaction than the common inflation statistics

Sources: Yahoo Finance, Incrementum AG
But There is a Lot of Asset Price Inflation That Could Now Spill Over to Consumer Price Inflation

- A commodity price index has been used as a proxy for consumer price inflation (since we are skeptical with respect to the methodology that is commonly used); the S&P 500 has served as a yardstick for asset prices.

- **Key insight by this ratio:** There have been alternating long-term cycles during which either consumer price inflation or asset price inflation predominated.

- Similar to the peaks in 1966 and 2000, another change in trend appears to have occurred at the end of 2015.

*Sources: Yahoo Finance, Bureau of Labor Statistics (BLS), Bawerk.net, Incrementum AG*
The New Bull Market in Gold Was Accompanied By an Increase in Price Inflation

- Strong negative correlation between the yields on inflation-protected bonds and the gold price
- The breakout in the gold price was accompanied by an increase in inflation concerns being priced in
- The market appears to have correctly anticipated the change in the inflation trend

Sources: Federal Reserve St. Louis, Incrementum AG
Will Gold React to a Potential Inflation Boost in the Forthcoming Months?

The oil price is affecting inflation rates due to the “base effect”

► Should the oil price remain at USD 40 or rally to USD 50 or USD 60, it will increase in year-on-year terms in the forthcoming months – the inflation rate will be boosted.
Generally, Consumer Price Inflation is Also Perceived as Low Due to Window Dressing

- Policymakers have an incentive to report low inflation rates (e.g., higher GDP growth can be reported, numerous types of welfare spending as well as the valuation/demand of government bonds depend on current/expected inflation rates)
- Shadow Stats calculates the inflation rate according to the methodology employed in the 1980s

While official price inflation according to the CPI averaged 2.7% p.a., Shadow Stats calculates an average inflation rate of 7.6% p.a. (see chart 1)

According to the Shadow Stats data, the cost of living has risen more than 10-fold since 1980, while the official CPI data indicate only a 138% increase (see chart 2)

Sources: Shadow Stats, BMG Bullion, Federal Reserve St. Louis, Incrementum AG
The Trend in the US Dollar is of Decisive Importance for International Inflation Trends

While all other currencies used to be firmly tied to gold as well, they are nowadays tied to the US dollar, which is drifting like a buoy in a continually changing swell

- In this role the dollar's relative value vs. gold, respectively a broad basket of commodities, plays a decisive role for global inflation trends
- If the dollar depreciates against gold and commodities, all other commodities implicitly depreciate as well and global price inflation will tend to rise

**Systemic instability in recent years:** All industrial commodities and practically all fiat currencies have declined massively against the US dollar; crude oil declined by more than 50% within a mere seven months

- Disinflationary earthquake in the dollar-centric monetary system

**Commodities, as an asset class, are an antidote to the US dollar:** There is a reciprocity between the price movements, with causality attributable to the US dollar to a greater extent than is generally assumed

sources: Federal Reserve St. Louis, Incrementum AG
Gold Is an Antidote to the US Dollar

Monthly Change in the Gold Price vs. Monthly Change in the Trade-Weighted US Dollar Index Since 1973

- **Negative correlation**: Gold tended to do better when the dollar was weakening.
- Phases during which the dollar’s exchange rate was getting stronger usually dampened gold’s performance (see the quadrant to the lower right).
- The “alpha” of gold: The intersection of the regression line with the y-axis shows that in a dollar-neutral environment, the gold price tended to increase by an average of approximately 9%.

**Sources:** Federal Reserve St. Louis, Incrementum AG
Dollar Strength and High (or Increasing) Real Interest Rates Are a Thorn in Gold’s Side

Real Interest Rates and the US Dollar: Critical Mix for Gold

- Golden circles stand for a rising gold price, white circles for a declining gold price; the larger the radius of the circles, the larger the price move.

- Gold posted its largest price gains during the oil crisis of 1973 and 1979, while real interest rates were negative and the dollar’s performance was subdued.

  → Such a scenario looks like an increasingly realistic possibility nowadays as well.

Sources: Société Générale, Federal Reserve St. Louis, Incrementum AG
“Inflation makes it possible for some people to get rich by speculation and windfall instead of by hard work. It rewards gambling and penalizes thrift. It conceals and encourages waste and inefficiency in production. It finally tends to demoralize the whole community. It promotes speculation, gambling, squandering, luxury, envy, resentment, discontent, corruption, crime, and increasing drift toward more intervention which may end in dictatorship.”

Henry Hazlitt
The miners had, more even than gold, suffered from the disinflationary environment after 2011.

The final low was put in on January 19, 2016; the brief intraday-dip below the level of 100 in mid-January could well turn out to have been one of the greatest bear traps in history.

Right thereafter a stunning uptrend began to take shape, in the course of which the gold mining stocks more than doubled within a few months.

Sources: Yahoo Finance, Incrementum AG
The Breakout in Mining Stocks Has Marked the End of the Cyclical Bear Market – the Boom Has Just Begun!

Despite the impressive comeback of mining stocks this year, many regard the impulsive move as a “dead cat bounce.”

Compared to previous bull markets in the BGMI, the recent uptrend is still relatively small and short in duration.

There should be a great deal of upside potential.

Sources: Sharelynx, Nowandfutures, Barrons, Incrementum AG
How Does the Gold Price Perform in Times of Stress?

Comparison of Annual Performance Record, Gold vs. S&P 500

- Negative correlation between gold and the S&P 500
- Times of extreme stress in stocks (incl. “tail risk events”) and/or recessions appear to be sufficient conditions for a rally in the gold price
- Reasons:
  - Gold is a safe-haven asset
  - Investors anticipate monetary and fiscal stimuli as a response to the crisis and buy gold for inflation protection

<table>
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<tr>
<th>Decade</th>
<th>Gold Start (USD/oz)</th>
<th>Gold End (USD/oz)</th>
<th>Change (%)</th>
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<tr>
<td>11/1973 - 03/1975</td>
<td>100</td>
<td>178</td>
<td>78.0%</td>
</tr>
<tr>
<td>01/1980 – 07/1980</td>
<td>512</td>
<td>614</td>
<td>20.0%</td>
</tr>
<tr>
<td>07/1981 – 11/1982</td>
<td>422</td>
<td>436</td>
<td>3.3%</td>
</tr>
<tr>
<td>07/1990 – 03/1991</td>
<td>352</td>
<td>356</td>
<td>1.0%</td>
</tr>
<tr>
<td>03/2001 – 11/2001</td>
<td>266</td>
<td>275</td>
<td>3.5%</td>
</tr>
<tr>
<td>12/2007 – 06/2009</td>
<td>783</td>
<td>930</td>
<td>18.8%</td>
</tr>
<tr>
<td>Mean</td>
<td></td>
<td></td>
<td>20.8%</td>
</tr>
</tbody>
</table>

Sources: Deutsche Bank, Federal Reserve St. Louis, Incrementum AG
Gold and the Permanent Portfolio

Harry Browne developed in the beginning of the 1970s a concept of a forecast-free, diversified portfolio that generates long-term stable returns with a reduced volatility and without the risk of major losses: the Permanent Portfolio.

The Permanent Portfolio is equally invested in 4 asset classes: stocks, bond, cash, gold

- Negative correlation among these asset classes under different economic scenarios reduces the overall volatility.

Regular rebalancing: A component representing a weighting of more than 35% (less than 15%) of the portfolio has to be reduced (increased) back to 25%

- Immunization against short-term fluctuations.

A few months ago Incrementum launched the first European fund that invests according to the principles of the Permanent Portfolio.

“It is not our task to predict the future, but rather to be prepared for it.”

Perikles
The value of gold rests on its “trust capital”

Its trust capital rests on its physical durability, the stability of its total stock and on the fact that it has been an enduring means of payment and wealth preservation worldwide throughout history

Gold is liquid, also in stress situations

Gold is in a reciprocal relationship with the monetary system

There are also “black swans” for gold

For a detailed examination read here, pp. 100
“In the middle of a jolly summer party, sensitive people begin to shiver.”

Roland Baader
1. Growing uncertainty regarding economic and political developments is boosting the gold price

2. Brexit: More economic and monetary stimulus programs to counter the disintegration of the EU should be expected

3. The US economy is softening, the planned normalization of the Fed's interest rate policy is about to fail; an economic worldview is crumbling

4. If the dollar weakens further and commodity prices continue to increase, rising price inflation and stagflation threaten
5. **Gold investment on the part of institutional investors is about to experience a renaissance in the uncertain low interest rate environment**

6. **The economic environment is not only positive for gold, but also other inflation-sensitive assets, such as silver or mining stocks**

7. **Gold is back, a new bull market is coming into view**

8. **Incrementum confirms the long-term price target of USD 2,300 by 2018**
APPENDIX
About the “In GOLD we TRUST” report

The annual "In Gold we Trust" report has been written by Ronald Stoeferle is in its 10th year. For 4 years it has been co-authored by his partner Mark Valek. It provides a “holistic” assessment of the gold sector.

The “In Gold we Trust” report is sponsored by the following highly renowned companies: Philoro EDELMETALLE, Endeavour Silver, Global Gold, Tocqueville Asset Management, Allocated Bullion Exchange, Österreichische Gold- und Silber-Schneideanstalt (ÖGUSSA) and Münze Österreich AG.

Ronald-Peter Stöferle, CMT

Ronald is a managing partner of Incrementum AG. Together with Mark Valek, he manages a global macro fund which is based on the principles of the Austrian School of Economics, as well as a fund based on Harry Browne’s Permanent Portfolio concept.

Previously, he worked seven years for Erste Group Bank where he began writing extensive reports on gold and oil. His ‘In GOLD we TRUST’ drew international coverage on CNBC, Bloomberg, the Wall Street Journal and the Financial Times.

Next to his work at Incrementum he is a lecturing member of the Institute of Value based Economics and lecturer at the Academy of the Vienna Stock Exchange.

Mark J. Valek, CAIA

Mark is founding partner and investment manager of Incrementum AG. Together with Ronald Stoeferle he manages a global macro fund which is based on the principles of the Austrian School of Economics, as well as a fund based on Harry Browne’s Permanent Portfolio concept. In 2014 he co-authored a book on Austrian Investing.

Before co-founding Incrementum, he worked at Raiffeisen Capital Management for more than ten years. There he was fund manager and responsible for inflation protection strategies and alternative investments. During his studies Mark worked in equity trading at Raiffeisen Zentralbank and at Merrill Lynch Private Banking in Vienna and Frankfurt.

Next to his work at Incrementum he is a lecturing member of the Institute of Value based Economics and lecturer at the Academy of the Vienna Stock Exchange.
AUSTRIAN INVESTING
between Inflation and Deflation

The financial system is shaking. This book presents new paths through the shaky grounds between the tectonic plates of inflation and deflation to both private and professional investors. The Austrian School’s approach provides the needed respite for investors caught in inflationary treadmills.

“I am grateful to the authors of this book for not only highlighting the fundamental principles of the Austrian School but also for showing how investors can make practical use of them.”

Dr. Marc Faber, Investor

“For the first time an extensive compendium has been published in which the theoretical foundations developed by the ‘Austrians’ have been made useful for the investor’s practical needs. The authors develop a remarkable ‘Austrian investment philosophy’.”

Prof. Guido Häusmann, University of Angers

“The Austrian School’s perception helps us to see long-term patterns and opportunities that today are often hidden. [...] For the authors and their important work I hope for the widest possible audience of a bestseller.”

Prince Philipp von und zu Liechtenstein, Chairman LGT Group

“This book is a must-have for every responsible investor.”

Felix W. Zulauf, Investor